

Washington State Auditor's Office
Special Investigation Report

Seattle School District No. 1
(Seattle Public Schools)
King County

Report Date
February 23, 2011

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WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

February 23, 2011

Board of Directors
Seattle Public Schools
Seattle, Washington

Report on Governmental Special Investigation

Attached is the official report on our special investigation at Seattle Public Schools.

The State Auditor's Office received a report of a suspected loss at the District. The notice of suspected loss was submitted to us under the provisions of RCW 43.09.185 of the Revised Code of Washington. We investigated the suspected loss independently and objectively through interviews and by reviewing relevant documents. This report contains the results of our investigation.

Questions about this report should be directed to Audit Manager Carol Ehlinger at (206) 615-0555 or the State Auditor's Office Fraud Manager Sarah Walker at (509) 454-3621.

A handwritten signature in black ink, appearing to read "Brian Sonntag".

BRIAN SONNTAG, CGFM
STATE AUDITOR

cc: John Cerqui, Seattle Public Schools District Attorney

Investigation Summary

Seattle Public Schools King County 2005 through 2010

EXECUTIVE SUMMARY

On June 28, 2010, Seattle Public Schools reported a suspected loss to the State Auditor's Office related to its small business development program. At the District's request, we investigated the suspected loss independently and objectively through interviews and by reviewing relevant documents. We commend the District for notifying us in a timely manner and for its outstanding cooperation during the investigation.

Results In Brief

- The District paid \$1,519,965.34 for services with a questionable public purpose.
- The District paid \$280,005.25 for services it did not receive and for services that benefitted a private company.

Background

The District created the Historically Underutilized Business Technical Assistance Program (HUB/TAP) in 2006 to provide training for small businesses. In 2007 the District converted HUB/TAP to the Regional Small Business Development Program (RSBDP) due to a change in state law. The purpose of the RSBDP was to help small businesses in the Puget Sound region overcome barriers to bidding on government contracts. The District operated the RSBDP between September 2007 and September 2010.

Small business owners with gross revenues under \$1 million qualified for the District's RSBDP, which provided training and technical assistance to participants at no cost. The program was not intended to guarantee contracts or to target preferred contractors for one-on-one assistance.

Between 2006 and 2010, the manager of these programs awarded contracts to vendors for services such as outreach, instruction, consulting services, marketing and lobbying. During our investigation, we reviewed payment vouchers and other documentation and determined the District paid for services that were never provided. We also found in some cases that documentation was insufficient to support the charges or show their District-related purpose.

For the 2009-2010 school year, the District decreased funding for the program. Without the District's knowledge, the program manager formed a private company on February 22, 2010, that he named the Regional Small Business Development Program. Although they share a name, the District program and the private company are not associated with one another.

Between October 2009 and June 2010, the District's program manager was transitioning the District program to the private company. The Executive Director of Facilities was aware of this transition. During this time, the program manager hired consultants to provide services benefitting the private company and directed them to bill the District. The program manager approved these invoices and submitted them for payment. Due to inadequate oversight of the program manager, the District paid these invoices.

Also, in March 2010, the program manager contracted with the city of Bellevue to provide RSBDP classes. In a separate agreement, he leased office space from the city for the private company. The program manager misrepresented these contracts as between the city and the District. The contracts were for the benefit of the private company.

The program manager resigned on June 7, 2010. The District retained him on June 8, 2010, as a consultant to the program. The contract was terminated June 23, 2010. The program manager's direct supervisor, the Executive Director of Facilities, left District employment in July 2010. The District decided to end the program in September 2010.

Our investigation determined:

- The District incurred losses totaling \$280,005.25 by paying for services it did not receive and for services that benefitted the private company.
- The District paid \$1,519,965.34 for services with a questionable public purpose. We define questionable as a payment by the District for which documentation lacked sufficient detail to allow us to determine the validity of the charges or for services that did not directly benefit the District or for services that could have been performed by District personnel.
- The city of Bellevue incurred losses totaling \$39,873.40 by paying for services it did not receive and for a real estate broker commission on a lease agreement broken by the District's program manager.

How This Happened

Lack of Oversight

The program manager reported directly to the Executive Director of Facilities. The Executive Director did not adequately supervise the program manager. During our interview with the Executive Director, he stated "the program manager . . . should have been providing the oversight" of the program. He also stated he "managed the program manager just like everybody else" who reported to him.

On April 19, 2009, the Executive Director reprimanded the program manager, in writing, after an external consultant performed an unfavorable review of a process used to select contractors for the District's small works roster. The Director removed the program manager's authority to award small works construction contracts for the District, but did not remove the authority to award consultant contracts or approve expenditures related to the program. The reprimand instructed the program manager to document that all contracts and District policies and procedures are being followed, ensure program staff

are fully trained, program participant applications are properly evaluated and documented and good business practices are followed. The reprimand also included an admonishment for testifying and lobbying in Olympia on behalf of the District on two occasions without approval of the District's Government Relations Department. Based on the information provided by the District, the program manager frequently did not comply with the directives outlined in the reprimand. He also retained the authority to award consulting contracts and to approve expenditures for the program.

Despite the reprimand, the program manager contracted with consultants to meet with state legislators and testify in favor of legislation even though he did not have the authority to do so. The Executive Director stated in an interview that he was not aware of these activities or that the program manager was not complying with the terms of the reprimand further demonstrating he was not providing adequate oversight of the program manager.

As a District manager, the Executive Director was responsible for establishing an internal control system to help ensure resources are guarded against waste, loss and misuse. This did not occur.

Program Manager: The District initially hired the program manager as a relocation coordinator for capital improvement projects being constructed through the Building Excellence Program, or BEX. In 2005 the Executive Director promoted the program manager to manage the small works roster process despite his lack of experience in awarding and managing construction contracts and managing personnel.

After discussing each vendor with District program staff, we learned the District received minimal services in terms of the amounts paid to some of the vendors. We asked District program staff why the program manager would award these contracts. District program staff stated the District did not receive much benefit from work provided by several vendors and stated the program manager wanted support from prominent members of the community.

Environment: District program staff stated, although they had concerns about the program, they did not bring them forward due to fears of reprisal. We found many District employees were unaware of the District's whistleblower and anti-retaliation policies or did not trust the policies.

ABOUT THE INVESTIGATION

On June 28, 2010, the District's Chief Financial and Operations Officer directed the District's Internal Auditor to report an instance of possible misappropriation to the State Auditor's Office. The Internal Auditor reported that on or about June 10, 2010, the District received a \$35,000 check from Tacoma Public Schools. It was deposited in the private company's account by an individual associated with the private company. The District learned that the money had not been deposited in a District bank account and District officials asked the former program manager to return the funds. The former program manager gave the District a \$35,000 cashier's check after the District filed a police report.

On August 18, 2010, the District reported two instances of suspected losses and illegal activity to the Auditor's Office related to the small business program. First, the District was invoiced \$6,300 for architectural services performed at offices the private company was leasing from the city of Bellevue. The District also reported it had been invoiced \$17,800 from a consultant who was doing business with the private company, not the District.

On August 26, 2010, auditors met with District management to discuss the suspected losses. At this meeting, District management notified us of concerns regarding its Internal Auditor, which are discussed later in this report, and asked our Office to investigate the suspected losses. Our investigation was to determine whether losses occurred and to quantify any such losses. Our investigation does not include a determination of whether the District's program was effective or saved the District money.

We asked the District for a list of all vendors under contract to the small business program. We also asked the District to arrange interviews with current and former District staff, the architectural firm and other personal service contractors. Of the 16 personal service contractors we selected to interview, two did not respond to our request for an interview and one declined to meet with us. The former program manager also did not respond to our request for an interview.

RESULTS

Losses to the District

We found the District paid for services it did not receive, for services that provided no public benefit and for services and products for the private business.

Total known losses to the District are \$280,005.25.

Services Not Received

The Executive Director of Facilities did not provide adequate oversight that would prevent or detect the program manager from allowing vendors to charge the District for services they did not provide.

For example the District paid:

- A vendor was paid \$163,175 for instructional services on dates when no classes were taught. District materials do not identify the vendor as an instructor for the program. Class sign-in sheets and class evaluations provided by the District show this vendor attended classes as a student on dates the vendor billed for teaching. The program manager approved the invoices, certifying that services were rendered. We found no records to indicate this vendor provided services to the District.
- Another vendor was paid \$20,210 for instructional services from November 2006 to April 2007. The vendor billed from 44 to 80 hours each month. District facility records and class sign-in sheets for this time period show actual classroom hours

ranged from 15 to 30 hours each month. The District also paid the vendor \$57,570 for “development”, lesson preparation, team meetings, communications assistance and food between May 2007 and August 2007. However, District records show the classroom reservations scheduled for that time period were cancelled in January 2007. We also found no class sign-in sheets for May 2007 through August 2007.

Services For The Benefit Of The Private Company

The Executive Director of Facilities did not provide adequate oversight that would prevent or detect the program manager from hiring vendors to provide services for the benefit of the private company.

For example:

- The program manager hired an architect to design tenant improvements to office space in Bellevue for the private company. The vendor stated the manager represented the work as a District project. The vendor also stated meetings on the project were held in District administrative offices with the program manager and other District personnel.

This vendor invoiced \$6,300 to the District for these services, but the District did not initially pay the invoice. The program manager then directed the vendor to resubmit its invoice through a third party and describe the services as “Training Development Design”. The vendor resubmitted the invoice as instructed, but the District did not pay it. The vendor began demanding payment from the District. The District advised the vendor to attempt collection from the program manager, but the vendor’s efforts were not successful. The vendor was unaware that the program manager hired it to provide services for the private company. In the end, the District accepted a claim for damages from the vendor and paid the \$6,300 invoice.

- The District paid another vendor \$17,800 for meetings with state legislators, community outreach and activities related to the private company. We reviewed e-mails between this vendor and District personnel and governing members of the private company. We also examined the original contract scope of work, budget documents and business plan and conducted interviews with District staff and the vendor. We determined all activities billed to the District by this vendor were related to the private company.

The program manager approved a personal services contract with this vendor that listed work that did not benefit the District. He forwarded the contract to the Accounting Department. The District’s Accounting Manager did not approve the contract because it included “preparatory work for transition of RSBDP to a new 501C3 Corporation.” The vendor resubmitted the contract to the program manager with a modified scope of work. In an e-mail to the program manager, the vendor stated the new contract scope of work does not include a

. . . significant amount of time to help with the RSBDP’s transition to a 501C3. Here are the additional areas that I can assist with that are NOT included in my official SOW, for obvious reasons

The vendor then lists activities in that e-mail for transitioning the District program to the private company. These activities were not included in the official scope of work. The program manager approved the invoices, totaling \$17,800 even though he was aware they benefitted the private company.

- Based on District program staff interviews, we learned the program manager hired a vendor to write grants and to research grant opportunities for the private company. At the program manager's direction, the vendor wrote grant applications stating the School Board had authorized a request to help pay for the first phase of a web-based training system. The School Board President and District legal counsel stated no approval was given. The District Grants Manager also stated he did not know about the letters. He stated the amount paid to this vendor of \$15,000, exceeded the District's entire approved budget for hiring grant writers. The vendor was unaware it was providing services for the private company.

Losses to the City of Bellevue

Total known losses to the city of Bellevue are \$39,873.40.

The city of Bellevue intended to become a sponsoring partner of the District's small business program in 2010. The city agreed to pay a membership fee in return for having access to activities offered by the program. Separately, the city entered into a five-year lease for the use of office space in a city-owned building. City staff stated they believed the membership agreement and the lease were with the District. However, the lease and the membership agreement were with the private company because, according to city staff, the District program manager misrepresented these contracts as between the city and the District.

The city paid the \$25,000 membership fee in two installments. The program manager and another governing member of the private company deposited these fees into the private company's account. As part of the lease, the city paid a real estate broker a \$14,873.40 commission based on a five-year lease. The program manager broke the terms of the lease when he did not pay the second rent installment, even though the city had already paid the commission. Also, the city did not receive the services called for in the membership agreement.

Questionable Uses of Public Funds

Total questionable uses of public funds are \$1,519,965.34.

The Executive Director of Facilities did not provide adequate oversight that would prevent or detect the program manager from paying for services when invoices lacked sufficient detail to determine the validity of the charges, were for services that did not directly benefit the District or were for services District staff could have performed.

For example:

- The District program manager circumvented District procurement requirements on two occasions by instructing vendors to change billing descriptions on their

invoices and submit the invoices through a third-party vendor. The program manager also used the same third-party vendor to manage the program's instructor billings. Moreover, program staff stated the program manager hired friends as instructors and had them bill the District through this third-party vendor. The District has no policy or procedure addressing third-party billings of this kind for personal service contracts.

- Some vendors did not provide enough detail to demonstrate how the District benefitted from its services. State law (RCW 43.09.200) states in part:

. . . the accounts shall show . . . all receipts, vouchers and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction

Without further support, we are unable to determine the validity of the charges billed by these vendors.

- The District paid vendors for meetings with state legislators and testifying on legislation. These vendors were unaware the program manager was not authorized to contract for such services.
- The District paid several vendors for assisting contractors that were not enrolled in the District's program and that were not competing for or performing District construction projects. The District also paid these vendors for assisting contractors on construction projects for other governments. Several vendors stated they billed the District for these services because they did not have a contract with the other governmental agencies.
- The District paid consultants to attend weekly meetings at the District administrative offices. These meetings lasted 1.5 hours; however, at least four consultants billed the District two to three hours for these meetings.
- Some vendors charged an hourly rate, yet billed the District for the same amount each month. These vendors divided the total contract amount into equal segments, regardless of whether services were provided on dates for which they billed.
- The District paid a vendor \$74,780 to develop training materials. Based on our review of the classroom training materials, it appears the materials were, for the most part, copied from other sources.
- The District paid a vendor \$7,213 for providing food during classroom trainings to class participants who were not District employees. These food charges ranged from \$737 to \$1,652 per month. District records do not show the public purpose of providing free meals to members of the public.
- The District paid a vendor at least \$6,000 to create and maintain a database for the small business program's Direct Hire and Apprenticeship program. The vendor charged at least 120 hours to develop the database. District staff stated the database was not functional when they received it. When we examined the

database, we noted it contained only a list of student names and other identifying information.

- A vendor that billed on an hourly basis submitted one invoice covering 10 months of fiscal year 2009, totaling \$39,705, and one invoice covering a portion of fiscal year 2010 totaling \$19,950. This vendor billed 695 hours for outreach and recruitment for the District's Direct Hire and Apprenticeship program even though District records indicate the program only recruited 150 people. In our judgment, billing on an annual basis is unusual and the number of hours billed to recruit 150 people appears excessive.
- The District paid a vendor for attending every apprenticeship support-service meeting for the entire duration of the meetings. These meetings lasted three hours. The District program employee who is responsible for running these meetings indicated this vendor rarely attended the meetings, and if so, stayed for just 30 minutes.
- The District paid a vendor \$25,000 for a software subscription fee for a database designed to match small business owners with general contractors. The vendor told us this database was not functional. District employees told us they never used the database. Instead, they used different systems to monitor contractors. Additionally, this vendor charged the District for indirect costs that in some cases exceeded direct costs by three times as much.
- The District paid a vendor at least \$14,500 to train program employees as business development counselors. We found the program manager hired individuals with no prior experience for these positions and hired this vendor to train and educate them on how to counsel small firms regarding construction activities. If the program manager had hired experienced persons for these positions, the District would not have had to hire and pay a consultant \$100 per hour to train District staff.

Actions of the Internal Auditor

Using a third party, and without the knowledge of the Chief Financial and Operations Officer, the District's Internal Auditor billed the District \$1,070 for developing curriculum and teaching classes. The District's ethics policy states in part:

Employees may receive compensation for outside activities, provided the outside activity is done on the employees' non-work time, does not impair the employee's ability to carry out their District work assignments, and otherwise does not conflict with this policy.

Since the Internal Auditor billed the District through a third-party, the Internal Auditor could not be considered an objective reviewer of the third-party vendor's invoices. The Internal Auditor should have questioned the practice instead of participating in it.

On April 19, 2010, District program staff sent an e-mail to the Internal Auditor with questions regarding an invoice they planned to send to the city of Bellevue. The Internal Auditor responded to the e-mail stating,

At this point, use our current address and invoice 100 is fine. I suggest we start an accounting system soon. Do you have anything you are currently using? Will we have quick books in one of your systems?

This demonstrates the Internal Auditor knew the private company invoiced the city because the District already has a centralized system for accounting and invoicing and the Internal Auditor was aware of those systems. The city of Bellevue paid the \$25,000 in two equal installments. It believed it was paying the District to participate in the small business program. The District did not receive the payments.

On May 26, 2010, the Internal Auditor became aware of a \$35,000 invoice sent to the Tacoma School District by the small business program staff. On June 14, 2010, program staff received a \$35,000 check from the Tacoma District and sent an e-mail regarding its receipt to the program manager, copying the Internal Auditor. The Internal Auditor replied, stating, "You may want to put it in the bank right away. When you bank checks, use separate deposit slips." According to District management, this instruction from the Internal Auditor bypassed District cash-receipting procedures because program staff do not use deposit slips. Cash receipts are turned into the District's cashier. At the direction of the program manager, program staff gave the check to an individual associated with the private company who then deposited the check into a bank account belonging to the private company. The former program manager returned the money to the District on June 30, 2010, after the District notified Seattle police of the issue. The District's Chief Financial and Operations Officer instructed the Internal Auditor to notify the State Auditor's Office of this incident.

On June 28, 2010, the Internal Auditor notified our Office of a suspected loss of public funds stating:

On or about June 10th, 2010, the RSB DP received a check in the amount of \$35,000. This check was made to RSB DP and was banked in a bank account that was owned by RSB DP (nonprofit). This was unusual because in prior years, checks to RSB DP were banked by the District.

Based on e-mails we reviewed, the Internal Auditor knew about the nonprofit and the check, which he instructed District program staff to deposit into the private account. Thus, we question why he described the above situation as unusual.

On August 5, 2010, a District attorney sent an e-mail, which he copied to the Internal Auditor, to the manager of the Safety and Security Department, saying another District attorney had expressed concerns that other entities may have paid the program manager rather than the District. By this date, the Internal Auditor was aware the city of Bellevue had paid the private company, not the District. Despite this knowledge, the Internal Auditor yet again failed to communicate to District management his knowledge that the city of Bellevue paid the company, not the District, and his involvement with the private company.

Based on our review of e-mails, an interview with the Internal Auditor, interviews with District program staff and interviews with former vendors, the private company intended to hire the Internal Auditor as its certified public accountant. Moreover, the Internal Auditor used District resources when writing e-mails discussing the private company's payroll, accounts payable and other business related to that company. The Internal

Auditor also attended meetings on behalf of the private company during normal District business hours.

RECOMMENDATION

We recommend the District:

- Take steps to determine if other private entities are operating out of District facilities and using public resources in ways that do not directly benefit the District. If any such entities are discovered, we recommend the District take action to safeguard public resources and to ensure public resources are used only for public purposes.
- Obtain sufficient documentation that supports charges before paying vendor invoices and that clearly demonstrates the benefit to the District.
- Continue to improve the District's ethics policy. Ensure that District personnel are aware of the policy through annual reminders and training for new employees. Take actions to enforce the policy.
- Effectively communicate the District's whistleblower and anti-retaliation policies to employees.
- Provide training to managers and staff about effective internal controls.
- Take steps to recover funds that were misappropriated.
- Establish an effective internal audit function that would perform periodic audits of personal service contracts to ensure the District is receiving the benefit of its expenditures and that program managers are complying with District policies and procedures.
- Ensure that persons hired meet the requisite experience identified in the position description.
- Require as part of District contracts that vendors cooperate with all external audit efforts during and after the term of their contracts at the risk of not being eligible for future contracts.
- Establish policies and procedures regarding third party billings for personal service contractors.
- Implement an additional layer of review for payments on personal service contracts.
- Document clear plans, objectives, policies and procedures for any future program of this nature.

We recommend the District seek recovery of the misappropriated amounts and related audit/investigation costs of \$84,495 from the employee and/or their insurance bonding company, as appropriate. Any compromise or settlement of this claim must be approved in writing by the Attorney General and the State Auditor, as directed in RCW 43.09.260.

DISTRICTS RESPONSE

Board President and General Counsel Response to State Auditor's Office Investigative Report

The President of the Seattle Public Schools Board of Directors and the District's General Counsel thank you for responding to the District's request for a special investigation, and for the thorough investigation and report that you have now completed. We also appreciate the opportunity to provide our response.

First and foremost, our goal is to deliver on the promise of a quality education for all Seattle students. Retaining the confidence of the public is critical to achieving this goal. Public confidence demands the highest ethical standards, responsible fiscal stewardship, and accountability to the taxpayers. The conduct described in this report is an assault on the public's confidence. We are committed to decisive action that helps ensure this never happens again.

The District will adopt all of the recommendations you have made. It is our obligation to our students, families, employees and taxpayers to ensure that we take all necessary measures to prevent this from happening again.

When the District first learned of the potential problem, it was quickly reported to your office with the District's request that you conduct a complete investigation. Your investigation has identified a number of significant factors that allowed this problem to occur and continue for several years. We agree that District management failed on several fronts, including lack of employee oversight, failure of internal controls, failure of the internal audit function, and lack of an adequate means for employees to raise their concerns.

The District is committed to addressing all recommendations made in your report and the underlying causes that led to the problems you have identified. We have already made progress in several key areas:

- ***Independent Investigation*** – *The Board initiated an independent investigation in December led by an experienced former prosecutor to ensure that all facts are understood and the causes and responsible parties for these problems are identified.*
- ***Prioritizing Ethical Conduct*** – *Ethical conduct by our employees is a top priority. We have named an ethics officer, established a complaint and investigation process, and created an ethics web page. When complaints are made about potential ethics violations, they will be reviewed and investigated. When violations are found, appropriate disciplinary action will be taken. We will also be providing training to employees and will update and strengthen our existing ethics policy.*

- **Enhanced Management and Oversight** – New internal controls are being developed to address the recommendations. Performance measurement has been instituted for our departments to provide enhanced management oversight. Additional new controls and staff training regarding invoice review and personal service contracts will be developed. These measures will help ensure that personal service contracts receive adequate oversight, invoices are adequate and properly reviewed, and staff is trained to comply with these requirements.
- **Recovery of Funds** – Legal counsel has been retained to assess and pursue recovery of losses and investigation costs from responsible parties. We have made a preliminary claim with our insurance pool for coverage regarding the loss of funds. We will vigorously pursue these steps to obtain compensation for the District's loss.
- **Expanded Internal Audit Function** – We will be implementing a renewed and robust internal audit system. Recruitment for a new internal audit manager with additional audit capacity is currently underway. Our internal audit system will include a special focus on personal service contracts and appropriate review of invoices.
- **Comprehensive Review of Facility Use by Private Entities** – A comprehensive review of the use of Seattle Public Schools facilities by private entities will be conducted to confirm that such uses are appropriate and the District's interests are protected.
- **Comprehensive Review of Personal Service Contracts** – A thorough review of existing personal service contracts will be conducted to identify any other areas of concern. We will promptly address any questionable contracts or contracting practices that are found.
- **Add Outside Public Member to Audit Committee** – A new policy has been adopted to allow for a public advisor on our Audit Committee. Recruitment to fill that position is underway. This will add additional external professional expertise to guide the oversight work of the Board in this area.
- **Continue to Strengthen Board Governance and Oversight** – The Board of Directors is ultimately responsible for the sound management and financial integrity of the District. The Board will take the necessary actions involving policy adoption, oversight and changes in management to address this situation and move the District forward in a positive direction. The Board has previously launched an effort to strengthen oversight and governance on many fronts. We have added additional audit focused committee meetings, are developing a new oversight policy, scheduling new oversight work sessions, revising governance policies, and implementing new systems to ensure these efforts succeed.
- **Whistleblower Protection** – We will vigorously enforce whistleblower protections. We will provide information and training to our employees about the

rights and protections provided to Whistleblowers and about our Anti-Retaliation Policy.

- ***Anonymous Hotline*** – *A hotline has been launched that allows employees and others to lodge anonymous complaints about ethics violations, fraud and other employee misconduct. This will provide employees with a means to raise issues without fear of retaliation. We plan to conduct an awareness campaign so that employees know about the hotline and we will follow up on the complaints that are received.*

The measures discussed above represent only a portion of the work that we must do to address the problems identified in your report. We look forward to continuing to work closely with your office on these efforts as we seek to ensure that a situation like this never happens again.

STATE AUDITOR'S OFFICE REMARKS

We thank District officials and personnel for their assistance and cooperation during the investigation.



ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver our services effectively and efficiently.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

State Auditor
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Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
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